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JOINT INSPECTION UNIT

Activities of the Joint Inspection Unit in 1990 and early 1991 of relevance to UNIDO

Note by the Secretariat

Summary

Describes briefly the activities of the Joint Inspection Unit (JIU) during 1990 and early 1991, and deals with matters of relevance to UNIDO such as technical cooperation and the use of national professional project personnel (NPPP) and the assessment of the environmental focus of projects financed by UNDP and other United Nations agencies.

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Introduction

1. In accordance with Industrial Development Board decision IDB.1/Dec.22, the Director-General notified the Secretary-General of the United Nations of the acceptance by UNIDO of the statute of the Joint Inspection Unit (JIU), effective 1 January 1986. Under the terms of the statute, 1/ the Unit is a subsidiary organ of the legislative bodies of the organizations that accept its statute. Reports of the Unit shall be submitted with the comments of the executive heads of the organizations concerned to the competent organs of those organizations; the executive heads of the organizations shall also ensure that recommendations of the Unit approved by their respective competent organs are implemented as expeditiously as possible. At its forty-fifth session, the General Assembly considered the report of the Joint Inspection Unit on its activities during the period 1 July 1989 to 30 June 1990. 2/ The work programmes of JIU are drawn up in accordance with article 9 of its statute and take into account requests and suggestions made by the participating organizations. The document containing the work programme for 1991 and the nucleus of the work programme for 1992-1993 3/ has been circulated to Member States and participating organizations by the Secretary-General. It will also be made available to the Board at its eighth session, as well as the relevant reports completed by the Unit in 1990 and early 1991.

I. JOINT INSPECTION UNIT REPORTS COMPLETED

2. Since the issuance of the most recent note to the Board on the subject (IDB.7/24), the following reports of the Unit have been prepared and circulated for consideration and/or action:

(a) Distribution and dissemination of documents and publications of the United Nations Educational, Scientific and Cultural Organization (UNESCO), particularly in the developing countries (JIU/REP/90/1);

(b) The coordination of activities related to early warning of possible refugee flows (JIU/REP/90/2);

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(c) Extrabudgetary resources of the United Nations: Towards transparency of presentation, management and reporting (JIU/REP/90/3);

(d) African Institute for Economic Development and Planning (IDEP) (JIU/REP/90/4);

(e) Technical cooperation and the use of national professional project personnel (NPPP) (JIU/REP/91/1);

(f) Assessment of the environmental focus of projects financed by UNDP and other United Nations agencies (JIU/REP/91/2).

3. Of the above, the latter two reports (JIU/REP/91/1 and JIU/REP/91/2) are of direct interest and relevance to UNIDO.

II. REPORTS SUBMITTED BY THE JOINT INSPECTION UNIT OF DIRECT INTEREST TO UNIDO

A. Technical cooperation and the use of national professional project personnel (NPPP) (JIU/REP/91/1)

4. The JIU study on technical cooperation and the use of national professional project personnel (NPPP) was undertaken at the request of UNIDO; it deals with the use of NPPP throughout the United Nations system. The report examines the strategy and policy of using NPPP in implementing technical cooperation, as well as the related financial, administrative and operational problems. The report provides data, by country, on the numbers of national and international experts used, revealing that in 1988 more than half the NPPP were concentrated in six countries, five in Latin America and one in Asia.

5. While the draft discussed with JIU contained data on the use of NPPP by UNIDO, these data were not included in the final version of the report. UNIDO, in its annual reports, provides important data on the use of NPPP both in absolute figures and in percentage of total experts recruited. Data for 1987 to 1990 are as follows:

Year	NPPP experts recruited	Percentage of all recruited experts
1987	263	13.8
1988	231	12.0
1989	288	13.5
1990	416	16.7

6. Part two of the JIU report implies that the decision to use national experts is only made at some point during project execution. However, the experience of UNIDO shows that in reality that decision is made at the design stage when various project inputs and modalities for implementation are agreed upon by the United Nations Development Programme (UNDP), the Government and the executing agency. The use of national experts always follows a request by and agreement with the Government. Moreover, almost all NPPP are appointed by UNIDO upon explicit nomination of candidates by Governments in agreement with resident representatives.

7. The JIU report analyses the reasons for using NPPP and points to certain attendant difficulties, not the least of which relate to the disparity in salary levels applied to nationals employed on the same projects. The remuneration for national experts is again almost exclusively a matter of consultations between UNIDO and the UNDP offices, who make every effort to ensure that salaries are in line with good prevailing local conditions for professional staff. The report, in particular paragraphs 66 to 71, raises some interesting aspects with regard to the employment of NPPP, such as the difference in their emoluments when compared with national civil servants and the consideration of NPPP as second-class experts when compared to their international counterparts. These points have, in fact, been under discussion in such common system bodies as the Consultative Committee on Administrative Questions (CCAQ) and efforts are being made to avoid discrimination against national experts. UNIDO, in conjunction with UNDP and other organizations, took a step forward by contracting a Van Breda insurance scheme covering health care, death and disability for NPPP. Generally speaking, the salaries of national experts are rising rapidly, and the report claims that the costs involved in utilizing NPPP in fact divert convertible indicative planning figure resources. What perhaps has been left unsaid is that in many cases NPPP receive payments in local currency. One solution that has been adopted in a number of cases where resident representatives have taken the initiative in consultation with Governments is to establish simple salary scales for the employment of NPPP as well as of "national consultants", who are normally hired for shorter periods than national experts, but with the same status.

8. As far as the legal status of NPPP is concerned, national experts are not considered "officials" under the 1946 Convention on the Privileges and Immunities of the United Nations and, as such, are not staff members. NPPP are therefore comparable to persons recruited on special service agreements. In brief, NPPP do not have functional immunity for all acts performed in their official capacity. UNIDO is participating in the CCAQ discussions on possibilities for establishing NPPP as a separate new category of staff. However, UNIDO shares the concern expressed in paragraph 69 of the JIU report that this might exacerbate the problem of brain drain from government institutions. The Inspectors claim that, according to recent surveys, more than 60 per cent of NPPP take advantage of the fact that their appointment to a project gives them a better knowledge of the United Nations system to apply for IPPP vacancies abroad, and 20 per cent of them leave the country. It is, however, the developing countries themselves who encourage international organizations to recruit an increasing number of their nationals as international experts, a situation which invariably involves temporary relocation from their countries. UNIDO has appointed a number of former NPPP as international experts and hopes to be able to recruit more for international assignments.

9. Of the four recommendations in the report (paras. 32 and 90), two are related to statistics. The first recommendation is addressed to the organizations of the United Nations system, and requests them to collect relevant statistics on the use of NPPP that could then be incorporated within the internal collection and dissemination system being set up by UNDP. UNIDO already complies with this recommendation. The second recommendation is directed to the Director-General for Development and International Economic

Co-operation, who is urged to analyse the assembled statistical data. The Director-General for Development and International Economic Co-operation is also called upon to make recommendations to the Economic and Social Council and to the General Assembly aimed at a more rational and efficient NPPP policy.

10. The other two recommendations of the report bear major policy implications for technical cooperation in terms of the use of NPPP. These recommendations are important enough to be reproduced verbatim. They read:

> Recommendation No. 3: "Within the framework of a continuously updated analysis adapted to each recipient country and in the light of the progress made in the development of that country, as well as of the progressive movement of its economy from sectors that have become standard or traditional towards increasingly complex and sophisticated sectors, the United Nations system should:
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> "(a) devote technical co-operation funds to paying for the transfer of expertise by the use of international experts whenever such expertise is lacking in the country, when it is essential that it should be acquired, and when it corresponds to a priority need that cannot be satisfied by resorting to national expertise;
>
> "(b) mobilize more local resources in expertise and in qualified personnel, making increasing use of Government execution and subcontracting to national institutions. While these procedures mobilize national expertise, they should not involve any change in the status of national experts or the awarding of any salary supplements or benefits in kind and should not give rise to conflicts like those that sometimes spring up between NPPP and other national officials; and
>
> "(c) make more frequent and more extensive use of the expert capacity of developing countries by mobilizing many more experts from those countries as international experts employed in their own region and in the framework of technical co-operation among developing countries (TCDC), rather than using every expert in his own country as an NPPP."
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> Recommendation No. 4: "The sovereignty of the host country and its authority over technical co-operation projects would be more effectively exercised were the United Nations system to make more efficient the use of [National Directors] ND by, on the one hand, working out country programmes based on a better definition of development objectives, and by ensuring a better match between these objectives and technical co-operation projects to ensure that they are more closely integrated with the trends pursued by the Government."

11. UNIDO fully subscribes to these recommendations and implements them subject to the policies established by Governments. As mentioned above (para. 7), in determining salaries for NPPP, the guidelines and/or salary tables established by UNDP at the country level are applied. UNIDO makes extensive use of National Directors and is currently engaged in formulating improved country programming methodologies in order to ensure better integration between the inputs of the United Nations system and national development objectives.

B. Assessment of the environmental focus of projects financed by UNDP and other United Nations agencies (JIU/REP/91/2)

12. This Joint Inspection Unit study was undertaken with a view to ascertaining to what extent the projects financed by UNDP and other United Nations system organizations take into account environmental factors. At the system level, the JIU is of the opinion that the integration of environment into the development process should be incorporated in the programmes and budgets and medium-term plans of agencies and organizations of the United Nations system and should become a permanent feature on their agendas. In addition, the Inspectors feel also that a more multidisciplinary coordinated approach should be adopted in preparing and implementing programmes by various United Nations entities involved in the management of environment. The Inspectors recommend that developed Member States should increase their financial and technical assistance to developing nations with a view to adopting, in collaboration with the United Nations system, strategies that promote environmentally-sound and economically-viable projects (Executive Summary, JIU/REP/91/2).

13. In paragraphs 106 to 110, the report duly reflects the information provided by UNIDO on its programmes and activities related to environmental questions, including initiatives taken to strengthen the Organization's ability and capacity to respond to the increasing needs and demands of its constituency.

14. In general, UNIDO agrees with the four recommendations contained in the report (ibid., para. 122), and has already been acting on its own initiative to bring about greater environmental focus in its projects.

III. ACTION REQUIRED OF THE BOARD

15. The Board may wish to take note of the JIU reports discussed above and the comments made by UNIDO thereon.

Notes

1/ General Assembly resolution 31/192, annex.

2/ Official Records of the General Assembly, forty-fifth session, Supplement No. 34 (A/45/34).

3/ A/46/89.